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January 28, 2002

UNITED STATES DISTRICT JUDGE

JAN 2 9 2002

DEPUTY

Via Hand Delivery

Honorable Andre M. Davis U.S. District Court Judge U.S. District Court, District of Maryland 101 W. Lombard Street Baltimore, MD 21201

Dear Judge Davis:

Re:

You had requested that counsel for both parties provide you with a report as to our intentions for the future of this case. Opposing counsel, David Tobin, and I have discussed this case subsequent to the hearing on January 11, 2002. The Landlord, NH Texas Properties, has filed five separate lawsuits (four for ejectment and eviction and one for money damages) in various locales in Texas. Given that fact, judicial economy and convenience of the parties weighs heavily in favor of a transfer of the pending action from your Court to the District of Texas where the suit for money damages has been filed by the Landlord. Prior to the first hearing date in the ejectment cases, the landlord has continued the eviction proceedings for two weeks and has requested a settlement conference that is scheduled to take place this week. If successful, those discussions could obviate the need for any further action in this Court.

Senior Living Properties LLC v. Nexion Health Inc., AMD 02-65

Counsel would respectfully request that we be granted a 30-day extension of time within which to report to the Court on the direction of this case. In the meantime, no further action will be taken by either party in this case and the filing date for a responsive pleading by Nexion will be extended by 30 days.

Both David and I appreciate the courtesies extended by you in agreeing to hear us on short notice, and should you have any questions about the status and our wishes for the disposition of this case, please feel free to call either one of us.

Sincerely.

Rodney H. Glover

APPROVED.

GARDNER, CARTON & DOUGLAS

Honorable Andre M. Davis January 28, 2002 Page 2

cc: David C. Tobin, Esq.

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